INFORMATION LETTER

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Report Shows High Availability Of Canned Fruits and Juices

A set of tables and bar charts, comprising a report on availability and prices of certain fresh fruits, canned fruits, canned juices, and dried fruits, which was released June 29 by the Production and Marketing Administration, indicates a very high availability of canned fruits and fruit juices in the retail stores under study.

The study shows retail prices of these items by type of store, size of store, and by regions of the United States.

The PMA report summarizes an audit conducted by the Industrial Surveys Co., Inc., with funds authorized under the Research and Marketing Act of 1946. This study, covering April 1949, was conducted in a national sample of 4,749 retail food stores, representative of all such stores located throughout the United States.

High availability of canned fruits and fruit juices is shown by the apparent success of consumers in finding most of the items studied in a high percentage of the stores. The variation in the different types of grocery stores of the number of canned fruit and fruit juice items stocked may have been affected by the fact that the study was made at a time when some retail stores were allowing their stocks to diminish, hoping for special deals.

(Please turn to page 250)

Delivered Pricing

An open rule permitting three hours of general debate on S. 1008, the O'Mahoney bill to clarify the legal rules controlling delivered price selling and freight absorption, was approved June 30 by the House Rules Committee. The bill has been approved by the House Judiciary Committee and probably will receive House floor consideration late next week.

Surveys by Mobile Laboratory

The Association's Mobile Field Laboratory is scheduled to make its headquarters at the plant of the W. N. Clark Co., Cairo, Mich., beginning July 4.

Bill To Enact Brannan Parity Formula as Substitute For Aiken Price Support Program Reported to House

Two important features of the Brannan Farm Program—a new parity formula and authorization for the Secretary of Agriculture to make direct payments to producers—were approved by the House Committee on Agriculture on June 28. These provisions are contained in the Pace bill, H. R. 5345, which would provide for a so-called "trial run" on the Brannan Plan on not more than three commodities.

H. R. 5345 would repeal the Aiken sliding scale formula due to go into effect January 1, 1950, and would amend existing price supports by establishing a new parity formula, based on the purchasing power of total farm cash receipts, as recommended by Secretary Brannan, to take effect on that date. In addition to authorizing direct payments to farmers, a provision of the Aiken plan having the approval of Secretary Brannan, the Pace bill would establish a new basis for supporting farm prices.

Representative Cooley (N. C.), Committee chairman, said that the bill does not pretend to be a complete farm program. The measure was approved by the Committee by a party-line vote of 17-9, one Republican member of the Committee being absent.

Although sometimes described as a "trial run" on the Brannan Farm Program, the Pace bill would prohibit the Secretary from experimenting freely with one of his major proposals.

The Secretary had proposed that prices of agricultural commodities be allowed to drop according to supply and demand, and that prices received by producers then be supported through direct payments. While the Pace bill would authorize direct payments, it would permit them only if the Secretary "determines that the use of production payments is the most effective and practicable method of providing price support, and that the use of production payments will not substantially reduce the market price of, or the demand for, any other agricultural commodity."

Secretary Brannan has announced that, if given the authority proposed

(Please turn to page 249)

Raw Products Head Discusses Production of Canning Crops

Dr. C. H. Mahoney, Director of the Association's Raw Products Bureau, appeared recently on programs of annual meetings of three trade groups associated with the production of canning crops—the National Fertilizer Association, the Western Branch of the American Association of Economic Entomologists, and the American Seed Trade Association.

Dr. Mahoney described to the National Fertilizer Association some of the fertility problems involved in the production of canning crops. The need for further research on the proper fertilizer ratios with respect to soil type, fertilizer placement, and the role of organic matter in the production of high quality canning crops was stressed.

The significance of insecticidal residues in canned foods, particularly with respect to recent statements of the Food and Drug Administration, was presented in some detail to the meeting of entomologists. The need for further research by entomologists on residue removal and the use of a combination of insecticides to avoid residue was emphasized. Dr. Mahoney pointed out the importance of securing additional insect control in-

(Please turn to page 249)

Tin Control Authority

The Senate on June 29 passed and sent to the President H. R. 5044, extending for one year the Administration's authority to allocate tin and tin products. With the enactment of H. R. 5044, tin control authority is scheduled to expire June 30, 1950.

Invitations for Bids

Quartermaster Purchasing Offices—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif. (Western Branch).

Veterans Administration—Procurement Division, Veterans Administration Building, Washington 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is $10,000 or over.

The QMC has invited sealed bids to furnish the following:

CANNED RSP CHERRIES (Standard)—115,715 dozen No. 10 or 636,838 dozen No. 2 cans, f.o.b. destination. Bids due at Chicago under Bid No. QM-11-183-49-1285 by July 20.

CANNED PEAS (Fancy)—35,714 dozen No. 10 and 62,498 dozen No. 2 cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-49-1286 by July 26.

CANNED PEAS (Fancy)—8,800 dozen No. 10 and 2,240 dozen No. 2 cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-49-1287 by July 26.

The Veterans Administration has invited sealed bids to furnish the following:

CANNED RSP CHERRIES (Standard)—1,250 dozen No. 10 and 1,500 dozen No. 2 cans, f.o.b. origin. Bids due under Invitation No. 5-S by July 11.

CANNED MUSHROOMS—3,000 dozen Jumbo cans, 307 x 510, f.o.b. destination. Bids due under Invitation No. 8-S by July 14.

MEETINGS

IFT Convention Events

Dr. Roy C. Newton, vice president in charge of research for Swift & Co., Chicago, will be presented the Nicholas Appert medal award on July 12 as a feature of the ninth annual convention of the Institute of Food Technologists, to be held in San Francisco July 10-14. Dr. Newton will be remembered for his address, "The Influence of Scientific Research on the Progress of the Food Industry," at the 1948 Canners Convention.

A paper by Happer Payne, Director of the N.C.A. Labeling Division, on "Some Applications of Food Technology to the Definitions of Label Terms for Canned Foods," will be read at the IFT Convention on July 11 by Dr. J. Russell Esty, Director of the Association's Western Branch Laboratory.

Other awards to be made at the IFT convention will be the presentation of the 1949 Stephen M. Babcock award of the IFT to Clarence Birdseye of Gloucester, Mass., who pioneered the quick freezing of fruits, vegetables and seafoods, and presentation of the second biennial award by *Food Industries* to Florida Citrus Canners Cooperative, of Lake Wales, Fla., for its frozen concentrated citrus juice process.

STATISTICS

Poultry Canned in May

The quantity of poultry canned or used in canning during May totaled 11,240,000 pounds, compared with 12,609,000 in May last year, a decrease of 11 percent, the Bureau of Agricultural Economics reports.

Corn Stocks and Shipments

Shipments of canned corn during May, 1949, amounted to 1.7 million actual cases, about 50 percent greater than shipments of 1.1 million actual cases during May, 1948. Total shipments since August have totaled 28.4 million cases compared with shipments of 26.7 million cases during the period August 1, 1947, to June 1, 1948.

Canned Corn Stocks and Shipments

	1947–48	1948–49
	(actual cases)	
Carryover, Aug. 1	272,039	194,469
Pack	27,571,861	34,410,040
Total supply	27,843,900	34,604,509
Stocks, June 1	1,164,995	6,244,552
Shipments during May	1,142,281	1,712,419
Shipments, Aug. 1 to June 1	26,678,905	28,359,957

On the basis of 24/2's, canner stocks June 1, 1949, amounted to 5,745,000 cases compared with 1,106,000 cases June 1, 1948.

June 1, 1949, canner stocks of canned corn consisted of 797,686 actual cases of cream style white corn; 2,573,713 actual cases of cream style golden corn; 2,726,300 actual cases of whole kernel golden corn; and 146,853 actual cases of whole kernel white corn, whereas June 1, 1948, stocks of canned corn consisted of 45,381 actual cases of cream style white corn; 664,180 actual cases of cream style golden corn; 434,825 actual cases of whole kernel golden corn; and 20,609 actual cases of whole kernel white corn.

Wholesale Distributor Stocks Of 33 Canned Foods Reported

Wholesale distributor stocks of 33 canned fruits, vegetables and juices, including stocks in warehouses of retail chains, were about 16 percent less on June 1, 1949, than on January 1 of this year, according to a report of the Bureau of the Census. Wholesale distributor stocks of 14 of these canned foods, on which quarterly reports are issued, had decreased 16 percent since March 1.

Wholesale distributor stocks of all vegetables listed in the report were down from both January 1 and March 1 positions except for three of the vegetables not reported since January—carrots, sauerkraut, and spinach.

Of the fruits, pineapple stocks in hands of wholesale distributors had increased from January to March but had declined by June 1 almost to the January 1 level. Grapefruit segments showed the only other increase.

Citrus and pineapple juices had showed increases in the March 1 report over January 1 stocks. Stocks of citrus juices on June 1 had declined moderately below March 1 but still were above January 1 levels. Pineapple juice stocks on June 1 were below January 1 stocks.

Table I shows wholesale distributor stocks of 33 canned foods as reported by the Bureau of the Census on June 30.

Table II shows canners' stocks of canned fruits and vegetables as compiled by the N.C.A. Division of Statistics.

Table I

Wholesale Distributors' Stocks of Specified Canned Foods

(Includes Warehouses of Retail Food Chains)

Commodity	June 1, 1948	Jan. 1, 1949	Mar. 1, 1949	June 1, 1949
	(Thousands of actual cases)			
Vegetables:				
Beans, Green and Wax	2,592	3,398	3,286	2,427
Corn	6,249	7,881	7,657	6,862
Peas	7,160	7,268	6,556	5,438
Tomatoes	4,921	5,666	5,217	4,038
Asparagus	NA	841	NA	760
Beans, Lima	NA	1,032	NA	948
Beets	NA	1,078	NA	752
Carrots	NA	431	NA	511
Pumpkin and Squash	NA	756	NA	659
Sauerkraut	NA	577	NA	642
Spinach	NA	632	NA	1,068
Sweet Potatoes	NA	472	NA	229
Tomato Catsup & Chili Sauce	NA	2,590	NA	2,463
Tomato Pulp and Puree	NA	1,015	NA	902
Tomato Sauce	NA	816	NA	782
Fruits:				
Apricots	1,198	1,243	1,069	835
Fruit Cocktail [1]	1,896	2,081	1,983	1,725
Peaches	4,741	4,974	4,416	3,551
Pears	1,205	916	782	619
Pineapple	610	1,801	1,904	1,883
Apples and Crabapples	NA	888	NA	639
Applesauce	NA	644	NA	530
Cherries, Red Sour	NA	647	NA	311
Cherries, Other	NA	375	NA	247
Cranberries and Sauce	NA	430	NA	285
Grapefruit Segments	NA	408	NA	596
Plums and Prunes	NA	617	NA	453
Juices:				
Apple and Sweet Cider	NA	189	NA	123
Tomato [2]	3,412	3,302	3,054	2,630
Grapefruit	2,086	1,240	1,663	1,612
Orange	2,238	1,341	1,785	1,642
Citrus Blend	972	678	890	878
Pineapple	356	1,313	1,443	1,136

[1] Includes fruit for salad and mixed fruits (except citrus).

[2] Includes vegetable juice combinations containing at least 70 percent tomato juice.

NA Not available.

Canned Fruit Pack Bulletin Mailed

The booklet, *Canned Food Pack Statistics: 1948, Part II—Fruits*, was mailed this week to N.C.A. members, all other fruit canners, State Secretaries, the canning trade papers, and the can companies. Reprints made for the National Food Brokers Association are being distributed by that association.

The publication gives the 1948 canned fruit pack by states and by size of containers, and compares 1948 production with the pack of previous years. Members desiring additional copies may obtain them by writing to the Association's Division of Statistics.

Table II

Canner Stocks of Specified Canned Foods

Commodity	June 1, 1948	Jan. 1, 1949	Mar. 1, 1949	June 1, 1949
	(*Thousands of actual cases*)			
Vegetables:				
Asparagus	NA	483	157	NA
Beans, Green and Wax	583	4,897	2,265	573
Beets	NA	1,467	743	NA
Carrots	NA	1,416	1,111	NA
Corn	1,165	17,514	12,610	6,245
Peas	7,810	14,881	10,413	4,985
Tomatoes	2,515	12,084	7,679	3,632
Catsup & Chili Sauce	NA	15,756	NA	NA
Fruits:				
Apples	1,027	NA	NA	62
Applesauce	2,580	NA	NA	299
Apricots	715	3,018	2,524	1,551
Red Pitted Cherries	2	642	281	(a)
Sweet Cherries	25	247	188	75
Fruit Cocktail[1]	410	7,531	6,081	3,900
Peaches	1,928	9,747	7,294	3,588
Pears	801	2,691	1,961	849
Pineapple[2]	623	3,333	2,575	1,139
Juices:				
Tomato[3]	4,872	16,299	12,816	7,630
Pineapple[2]	191	1,876	1,134	596

NA Not available.
(a) Stocks depleted.
[1] Includes Fruit Salad and Mixed Fruits, except citrus.
[3] Includes vegetable juice combinations containing at least 70 percent tomato juice.
[2] Source: Pineapple Growers Association of Hawaii.

Production of Canning Crops

(Concluded from page 247)

formation by the use of the new organic insecticides in the event that tolerance hearings are held by the Food and Drug Administration next winter. As a result of this presentation it is felt that more cooperative research will be done this year on that problem.

Dr. Mahoney discussed before the Garden Seed Division of the American Seed Trade Association the importance of seed breeders giving consideration to the factor of quality in breeding of canning crop varieties. He pointed out some of the needs of the canning industry, particularly with respect to disease-resistant beans, peas, tomatoes, and cucumbers. It was suggested that the seed breeders keep abreast of FDA standards of quality in order to take these quality factors into consideration in their breeding program. It also was pointed out that many canners are planning their planting schedules based upon accumulated "heat units," and that information on the maturity dates of the different varieties in terms of heat units would be helpful.

CONGRESS

Adjournment

The Senate will meet in the old Supreme Court room in the Capitol and the House will meet in the caucus room in the New House Office Building, beginning next week, because the Senate and House chambers are to be remodeled.

It is speculated in Washington that, because of the relatively inconvenient conditions under which both houses will operate, Congress may adjourn by the end of July.

Government Procurement

Legislation carrying out a Hoover Commission recommendation with regard to Government procurement, which was sent to the President June 29 for approval, requires that the Veterans Administration, Department of Agriculture, or any other Federal agency must continue to purchase canned foods on an advertised bid basis, except under special conditions.

H. R. 4754, to be known as the "Federal Property and Administrative Services Act of 1949," carries out the Hoover Commission proposal that procurement by the civilian agencies parallel that of the armed services. The measure does this with respect to purchases of canned foods, in that advertising will be required except—

"For supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier."

This exception to the requirement for advertising also is contained in the Armed Services Procurement Act of 1947 (P. L. 413, 80th Congress), under which the QMC purchases canned foods for the armed forces. However, the Hoover Commission had recommended that that Act be amended to permit procurement of nonperishable subsistence by negotiation (see INFORMATION LETTER of February 19, page 119, and of March 5, page 132).

Agriculture Appropriations

The Agriculture Appropriations bill, H. R. 3997, which was sent to the President on June 24 for approval, provides $715,601,607 for operations of the Department of Agriculture for the fiscal year which began July 1.

Items of particular interest to the canning industry include $450,000 for research by the Bureau of Entomology and Plant Quarantine on control and eradication of the Oriental fruit fly; direct appropriations of $83,500,000 for the National School Lunch Program, in addition to "Section 32" funds; and the full budget request of $19,000,000 for carrying out the Research and Marketing Act. Conferees eliminated a Senate-approved provision which would have authorized development by USDA of inspection, grading and standards for fishery products.

The Bureau of Plant Industry, Soils, and Agricultural Engineering received $2,581,000 "for investigations on the production, improvement, and diseases of fruit, vegetable, nut, ornamental, drug, condiment, oil, insecticide, and related crops and plants."

Price Support Program

(Concluded from page 247)

to be granted by the Pace bill, he will experiment on hogs, potatoes and wool.

The Pace bill does contain Brannan-sponsored provisions aimed at permitting the Secretary to deny price support to producers who have disapproved marketing quotas, or who are not cooperating in marketing order programs, or who do not comply with other controls. The Pace bill provides, in part:

"If producers have disapproved marketing quotas with respect to any agricultural commodity in a referendum held with respect to such quotas, no price support operations shall be undertaken with respect to the crop of the commodity to which the marketing quotas would have been applicable: *Provided*, That the disapproval of marketing quotas in any one referendum shall not prohibit price support operations with respect to more than one crop of the commodity. The Secretary may also require, as a condition to undertaking a price support operation for any agricultural commodity, that appropriate marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, be in effect for the commodity in applicable regional production or marketing areas prescribed by the Secretary."

The Pace bill also provides:

"In carrying out the provisions of this section, compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when otherwise authorized by law), as prescribed by the Secretary may be required as a condition of eligibility for price support. If acreage allotments are in effect for any commodity, the Secretary shall prescribe, as a minimum condition of eligibility for price support, that the producer shall not have knowingly overplanted such acreage allotment."

Contrasted with these provisions of the Pace-Brannan program, Section 202(a) of the Aiken law provides, in part:

"Compliance by the producer with acreage allotments, production goals, and marketing practices prescribed by the Secretary may be required as a condition of eligibility for price support. The Secretary shall in all cases give consideration to the practicability of supporting prices indirectly, as by the development of improved merchandising methods, rather than directly by purchase or loan."

The parity formula proposed by the Pace bill corresponds with that proposed by Secretary Brannan, the only difference being that the term "parity price" in the Pace bill is called "price support standard" in the Brannan proposal. The Pace bill provides:

"Section 301(a)(1) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(A) The term 'income support standard,' as of any date, means the average annual aggregate purchasing power of cash receipts from all farm marketings, including production payments made under Section 302 of this title, during a period consisting of the first ten of the preceding twelve calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive) computed as follows: (i) Divide such cash receipts for each of such ten years by the parity index for such year; (ii) add the amount obtained under (i) above for each of the ten years and divide by ten; (iii) multiply the amount obtained under (ii) above by the most recent parity index.

"(B) The term 'parity index,' as of any date, means the ratio of (i) the general level of prices for articles and services that farmers buy, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, interest, and taxes during a period consisting of the first ten of the preceding twelve years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive). The parity index for any year shall be the simple average of the twelve monthly parity indexes computed for such year.

"(C) The term 'parity price' for each agricultural commodity means a price computed as follows: Multiply the average of the prices received by farmers (including any production payments made under Section 302 of this title) for the commodity for each of the ten immediately preceding calendar years, or for each marketing season beginning in such period if the Secretary determines that use of a calendar year basis is impracticable, by the ratio of (i) the current income support standard to (ii) the actual average level of cash receipts from farm marketings, including production payments made under Section 302 of this title, during the ten immediately preceding years."

The Pace bill divides agricultural commodities into three classes for purposes of price supports:

Class-1 commodities are corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool (including mohair). The bill would require the Secretary to support these commodities at the full parity price.

Class-2 commodities are the so-called Steagall commodities and cottonseed. The Secretary would be required to support these commodities at a level to be determined by a number of factors set forth in the bill.

Class-3 commodities are all other agricultural commodities. The Secretary would be authorized to support these commodities as the need may arise and as funds are available for that purpose, after taking into account the same factors, which are:

"(1) The supply of the commodity in relation to the demand therefor; (2) the price levels at which other commodities are being supported, including the feeding values of other grains in relation to corn; (3) the perishability of the commodity; (4) the ability to dispose of stocks acquired through a price support operation; (5) the need for offsetting temporary losses of export markets; and (6) the ability and willingness of producers to keep marketings and supplies in line with demand."

High Availability

(Concluded from page 247)

The study covered retail food stores handling fresh as well as canned citrus products. The availability of canned citrus, for the most part, was shown to be higher than for fresh. Canned orange juice, for example, was stocked by 90.8 percent of all stores studied, whereas fresh oranges were found in only 79 percent. Canned grapefruit juice was found in 86.8 percent of all stores studied, whereas fresh grapefruit was found in only 56.6 percent.

Copies of the PMA tabulations may be obtained from the Fruit and Vegetable Branch, PMA, USDA, Washington 25, D. C.

TABLE OF CONTENTS

PAGE

Congress

Bill to enact Brannan parity formula as substitute for Aiken price support program reported to House 247
Delivered pricing 247
Tin control authority 247
Adjournment 249
Government procurement 249
Agriculture appropriations 249

Statistics

Report shows high availability of canned fruits and juices 247
Poultry canned in May 248
Corn stocks and shipments 248
Wholesale distributor stocks of 33 canned foods reported 248
Canned fruit pack bulletin mailed 249

Laboratory

Surveys by mobile laboratory ... 247

Procurement

Invitations for bids 248

Meetings

IFT convention events 248